

# CHAPTER 17

## INSTALLATION COMMAND AND MANAGEMENT

*"Five tenets are combined into Installation Vision 2010: maintain readiness, provide power projection, maintain quality of life, sustain the environment and operate efficiently. These tenets are not isolated functions; they are interrelated, providing strength to one another, much like the combined arms teams on the modern battlefield."*

Army Magazine, October 1998: "Installations: Maintaining Quality Where Soldiers Live" by Major General David A. Whaley, Assistant Chief of Staff for Installation Management

### INTRODUCTION

The above quote, taken from a 1998 article written by the Assistant Chief of Staff for Installation Management, illuminates the increased impact and importance of proper installation management in force management. The Army's environment is changing. The United States Army today is a power projection force capable of responding rapidly to threats against national interests anywhere in the world. Army installations are transitioning into power projection bases, power projection support bases, and sustaining bases. However, they all have one important aspect in common - they must continue to provide an adequate living and working environment for our quality people. Quality of life for our soldiers, civilian employees and family members is an integral part of sustaining the force.

The Army, now largely based in the Continental United States (CONUS), continues to refine and enhance its power

projection and sustainment capabilities. Base realignments and closures, the return of some overseas forces and declining budgets are focusing renewed attention on effective installation management. Installations are undergoing significant changes in order to support the U.S. Army today and into the 21st century. As we move forward, the Army will be a smaller, CONUS-based, power projection force required to maintain a 360-degree view of the world.

*What is an installation?* An installation is defined as an aggregation of contiguous or near contiguous, common mission-supporting real property holdings under the jurisdiction of the Department of Defense (DOD) or a state, the District of Columbia, territory, commonwealth, or possession, controlled by and at which an Army unit or activity (Active, USAR, or ARNG) is permanently assigned. Installations reflect a diversity of organizations, tasks, and missions - all of

which challenge the ability to command and manage. Within the Army, an installation may be referred to as a post, camp, station, fort, subpost, depot, arsenal, proving ground, base, laboratory, or ammunition plant. Army installations vary in mission, size and location - no two installations are exactly the same.

Installations are big business. For FY 98, the Assistant Chief of Installation Management (ACSIM), Headquarters, Department of the Army, (HQDA), managed Defense and Army resources in excess of \$8.8 billion. Approximately 123,000 (FY 94 - 98) persons, paid by military funds, appropriated funds, and non-appropriated funds, perform installation management functions. Installations maintain nearly 200,000 buildings. Combined, these structures cover more than one billion square feet (the area of 166 Pentagons). Army facilities represent a replacement value of more than \$160 billion. The annual maintenance budget for buildings and grounds (\$5 billion) exceeds the annual budgets of 22 states.

Most importantly, installations are home to the force, and home to the Army family - where the Army lives, works, trains, sustains and prepares to meet tomorrow's challenges. Army posts and surrounding communities are home to well over one million service members and their families. Installations house half (150,000) of Army families, and nearly 200,000 single soldiers. Army posts are where a quarter of a million civilian employees, and tens of thousands of contract employees, come to work every morning.

### **MAJOR COMMAND (MACOM) INSTALLATION MANAGEMENT ORGANIZATION**

While all MACOMs exercise some sort of installation management, installation

management at the MACOM level is usually associated with the Training and Doctrine Command (TRADOC) and the Forces Command (FORSCOM). FORSCOM uses the Deputy Chief of Staff for Personnel and Installation Management (DCSPIM), while TRADOC uses the Deputy Chief of Staff for Base Operations (DCSBOS) to manage their installations. Both concepts combine most base operations under a single organization. Army Materiel Command installations are typically depots, proving grounds, arsenals, laboratories, and ammunition plants. The industrial nature of these installations differs from the troop environment typically found at TRADOC and FORSCOM installations.

The Army uses a concept of sub-installations and sub-communities to enhance the effectiveness of operations. For example, in CONUS the Army uses this concept where multiple installations are assigned to a given MACOM located in or near the same geographical location. The Army also uses the concept OCONUS to enhance the effectiveness of operations where a given mission element is stationed at multiple locations.

The basic installation organization consists of a command element and four functional groupings of organizations, discussed below:

***The Mission Element.*** The mission element is the primary organizations(s) of the installation. It is the installation's reason for being. An example of a mission element would be III Corps headquarters at Fort Hood, Texas, or the U.S. Army Field Artillery Center and School at Fort Sill, Oklahoma. There is no single mission element at installations established solely to support tenants.

***Non-Supporting Tenants.*** Non-supporting tenants are present at most Army

installations. These are organizations that contribute to neither the primary mission nor specific support function of the installation. An example is the Military Traffic Management Command, Transportation Engineering Agency, located near Fort Eustis, Virginia.

***Supporting Tenants.*** There is a relatively standard group of supporting tenants at most Army installations. These are organizations assigned to MACOMs other than the installation's MACOM. They are located at the installation to provide a particular service. Examples are health services, criminal investigations, exchange and commissary services, the Corps of Engineers, and dependent schools outside of CONUS (OCONUS) locations.

***U.S. Army Garrisons.*** These may include area support groups or installation support activities in some MACOMS. The garrison organization operates the installation and provides supporting services.

## **KEY INSTALLATION POSITIONS**

### **Installation Commander.**

The installation commander is usually the senior Army commander on the installation. The installation commander has responsibility for the real estate, facilities, operations, activities and personnel on an installation. Commanders of depots, arsenals, proving grounds, and Army divisions and corps are also considered installation commanders. Commanders of divisions or corps must consider that in most cases they will deploy with the force. Therefore, garrison or installation support activity commanders provide the continuity of the installation command when the installation commander deploys.

### **Garrison Commander and Installation Support Activity Commander.**

Garrison commanders are centrally selected for lieutenant colonel and colonel posts on the command selection list (CSL). They are selected for a two-year assignment and unlike all other CSL positions may be extended for a third year by the MACOM commander. The garrison and installation support activity commanders are responsible for day-to-day operations. They are responsible for the comprehensive planning necessary to achieve and maintain excellent living and working conditions for all personnel on an installation. They are also responsible for supporting local mobilization plans. During deployment they remain at the installation to receive follow-on reserve components. They also care for the families and civilians left behind and sustain other critical post missions. The installation commander may assign other missions for the garrison and installation support activity commander to accomplish, as required. For example, on some installations the garrison commander is assigned the additional duty of being the installation chief of staff. The garrison commander may be assisted in all aspects of base operations management (except in instances of commander authority) by a civilian Executive Assistant (BASOPS).

### **Area Support Group (ASG) Commander.**

The Army uses an area support group to manage multiple, geographically dispersed installations in OCONUS locations. Unlike organizations in the USAR with the same title, these active component units generally do not have a mission of providing combat service support. In Europe and Korea the ASGs serve as a command and control headquarters for the subordinate base support battalions. Although some

may have an on order mission to support CONOPS, most are focused exclusively on a fixed installation management mission.

Central selection boards select the commanders for these groups. These officers are usually colonels or lieutenant colonels (promotable). Area support group commanders execute the day-to-day management of installations under their control in much the same way garrison and installation support activity commanders perform within CONUS.

#### **Base Support Battalion (BSB) Commander.**

The Army may use the base support battalion to manage garrisons OCONUS. Usually these base support battalion commanders operate under the command of an ASG. They perform their functions in much the same way garrison and installation support activity commanders do at a CONUS sub-installation. Their primary focus is the delivery of services with policy and management oversight provided by the ASG. OCONUS ASGs and BSBs use the concept of Area Support Teams to manage sub-installations. These are small activities of service providers who operate under the command and control of either the ASG or BSB.

#### **Executive Assistant (Base Operations).**

The Executive Assistant (Base Operations or BASOPS) is a civilian position which functions as the deputy to the garrison commander in CONUS, or ASG/BSB commander OCONUS. The incumbent may act in the absence of the commander on all matters except for those involving command authority. An executive assistant is generally responsible for the overall administrative management within the garrison, coordination of requirements

and activities between the garrison commander and the multiple clientele, and assistance to the commander in implementing all policies, programs and services in support of base operations. This position may serve as a target for base operations civilian employees engaged in cross-functional professional development.

### **INSTALLATION MANAGEMENT PROFESSIONAL DEVELOPMENT**

#### **Additional Skill Indicator (ASI) 6Y (Installation Management).**

The complexity of installation management presents a challenge to the managerial expertise of military garrison staff officers. Officers having performed effectively in their BASOPS capacity may be recommended by the garrison commander for ASI 6Y validation. The installation commander is the certifying official for awarding of the 6Y skill identifier at the installation level. This ASI identifies positions requiring personnel trained in installation functions such as resource management, engineering management, logistical management, contract management, plans and training management, and community and family support management. This personnel designation may lead to BASOPS assignments as an installation commander, garrison commander, deputy garrison commander, chief of staff, installation manager at a MACOM or HQDA, or as a principal garrison staff officer.

#### **Garrison Pre-Command Course (GPC).**

The Army Management Staff College conducts this course, with a target population of centrally selected garrison commanders at the colonel and lieutenant colonel levels. The course is also available

to civilian Executive Assistants (BASOPS). It is an intensive 2½-week coverage of personnel, financial, facility engineering, environmental, morale, welfare and recreation (MWR) practices/issues, as well as other related topics. It is taught in small group seminars, which focus on real-world issues, problems, options and relationships. Hands-on experience is achieved through field trips, staff walks and roundtable discussions with current garrison commanders. In addition, presentations are made by the ACSIM and Deputy ACSIM.

### **General Officer Installation Commander's Course (GOICC).**

The Community and Family Support Center (CFSC), in conjunction with the Army Management Staff College offers this 4½ day course for general officer installation commanders which focuses on installation management and morale, welfare, and recreation (MWR) functions. The Chief of Staff, Army, has designated the course as mandatory for all installation commanders, deputy installation commanders, and MACOM staff principals with installation responsibilities. The course is delivered as a small group seminar and requires active participation by the attendees. The course utilizes group processes and case study techniques to challenge values and assumptions and provide important information and tools enabling attendees to excel in executing their BASOPS and MWR program responsibilities.

Course material explores all the major elements of base operations, including environmental management, personnel and financial management, public affairs and construction topics. MWR topics include NAF resource management, personnel, NAF program planning, recreation, business operations and family program delivery and

evaluation. Commanders with extensive combat arms career assignments who are about to take command of an installation will find this course especially valuable.

### **Executive Assistant (BASOPS).**

All Executive Assistant (BASOPS), Deputy Commander, and similar garrison manager position vacancies are centrally announced through the Department of the Army Central Announcement Distribution System (DACADS) under civilian Career Field 29. Civilian Personnel Offices are required to distribute vacancy announcements for these positions through DACADS, and to expand the area of consideration Army-wide. This ensures all eligible candidates registered in DACADS CF 29 are made aware of the Army positions, and are given an opportunity to be considered.

The current Army Civilian Training, Education and Development System (ACTEDS) plan for Executive Assistant (BASOPS), Career Field 29, is under review. The next revision will focus on providing a mechanism for cross-functional civilian career development throughout the base operations environment. This would facilitate the critical versatility and cross-functional familiarization necessary to perform effectively in the role of an executive assistant. An understanding of the Army and its role in the National Military Strategy is a pre-requisite. Army Management Staff College or Army War College attendance would be beneficial to the professional development of base operations managers aspiring to become executive assistants.

### **Installation Special and Personal Staff.**

The commander appoints and specifies the duties of the installation special

and personal staff. The staff size and composition will vary by installation based on its mission and the impact of ongoing consolidation and regionalization efforts. The positions are listed below; and FM 100-22 provides descriptions of their responsibilities.

- Inspector General (IG)
- Staff Judge Advocate (SJA)
- Internal Review and Audit Compliance (IRAC)
- Command Historian
- Public Affairs Officer (PAO)
- Installation Chaplain

#### **Garrison/Area Support Group/Installation Support Activity.**

The installation/area support group/installation support activity staff provides the garrison commander assistance and functional expertise in assigned areas of responsibility. These functional areas are listed below; please refer to the functional descriptions in FM 100-22 as a guideline for organizational structure considerations.

- Directorate of Plans, Training, and Mobilization (DPTM)
- Directorate of Counterintelligence and Security (DCSINT/SEC)
- Equal Employment Opportunity Office (EEO)
- Installation Safety Office (ISO)
- Director of Health Services (DHS)/Director of Dental Services (DDS)
- Headquarters Commandant
- Office of the Provost Marshal (PM)
- Directorate of Personnel and Community Activities (DPCA)
- Directorate of Resource Management (DRM)
- Directorate of Logistics (DOL)
- Directorate of Public Works (DPW)

- Directorate of Installation Support (DIS)
- Directorate of Information Management (DOIM)
- Directorate of Contracting (DOC)

#### **Installation Management Personnel Designations.**

AR 600-3, *The Army Personnel Proponent System*, reflects the following career designations for Army installation management proponentcy:

- Additional skill identifier (ASI) 6Y, Installation Management
- Career Field 29, Executive Assistant (BASOPS)
- Career Program 27, Housing Management
- Career Field 51, Morale, Welfare, and Recreation
- Career Program 18, Engineers and Scientists (Resources and Construction) (limited to facilities engineering and environmental management responsibilities)

#### **INSTALLATION STRATEGY**

In December 1992, the Secretary of the Army and the Chief of Staff, Army, endorsed the then recently published *Installations: A Strategy for the 21st Century*. This document is the result of a HQDA cross-functional effort which developed an installation vision, eight strategic goals (listed below), and broad guidance for installation-related actions. It represents a shared view among the functional elements of what must be done to achieve the desired end state, world-class power projection platforms. It also serves as a lens to focus the efforts of the diverse programs, organizations, and offices involved in managing and supporting our

installations. The intent is to achieve these goals, obtain the requisite commitment and programming of resources, and support the required changes in business practices and policies to accommodate the needs of installation commanders.

With the strategy in place, work at HQDA shifted to developing specific planning and programming objectives for *The Army Plan (FY 1996-2011)* and subsequent POM and budget efforts. Each MACOM and installation is expected to refine the strategic goals and develop its own specific plans to attain the Army's vision for installations. Each installation faces unique challenges, has different priorities, and undoubtedly will proceed at different rates in implementing the practices; it is important that all echelons are working toward the desired endstate.

### **Strategic Goals.**

Eight strategic goals have been established to guide accomplishment of the installation strategy.

**Goal 1:** Reshape installations to meet power projection specifications.

**Goal 2:** Formulate soldier and civilian employee programs to enhance Quality of Life, and improve the living and working environment for soldiers, families and civilians.

**Goal 3:** Achieve total integration of environmental stewardship into installation operations.

**Goal 4:** Establish and resource an "Investment Plan" for our enduring installations to revitalize or replace installation infrastructure operations.

**Goal 5:** Complete installation-level business process and functional design to offset the impact of downsizing and continuing resource constraints, improve service, and reduce costs of running installations; incorporate modernized

telecommunications network to support voice, data and image services.

**Goal 6:** Achieve community, interservice partnerships for facilities and services to improve operations, customer service, and fiscal effectiveness and efficiency.

**Goal 7:** Attain resource management flexibility for the Garrison Commander through policy, procedures, and systems changes that will enable installations to operate as business activities and maximize the effectiveness and efficiency of resources.

**Goal 8:** Transform the Army's Human Resource programs to build a participative committed, installation management team capable of meeting the uncertainties and technological complexities of a constantly changing environment.

### **HQDA Reorganization.**

Beginning in the 1970s significant changes in the political, economic and social climates complicated management of installations and pointed to the need for central focus and direction at the HQDA level. Despite extraordinary efforts, installation and garrison commanders were ill equipped to deal with the flood of environmental legislation, social issues such as child care and spousal abuse, and dramatic resource reductions and base closures.

**Response to Change.** Throughout the 1980s and early 1990s a host of studies identified serious disconnects and inefficiencies in installation management, and a lack of emphasis by HQDA. The fact-finding efforts included the studies *CONCISE*, *STEADFAST*, *ROBUST*, and *VANGUARD*, a survey of garrison commanders, the Installation Management Strategy Team, the HQDA Transformation

Group, and a 1991 DA Inspector General *Special Inspection of Installation Management*.

It was determined that the Army was not optimally managing its installations for efficiency and effectiveness. A common finding throughout these efforts was the absence of a DA-level proponent with knowledge of functional policies and requirements, and the authority to coordinate and integrate the two. They cited the lack of installation management doctrine and failure to adequately prepare garrison commanders for the complex business of effective installation mission. It was concluded that installations must not only serve as foundations for the trained and ready force, but must also be capable of maintaining, mobilizing, stationing, deploying and reconstituting an expandable Army. Recommendations to correct the cited systemic deficiencies varied from establishing a Base Operations Command to creating a single organization on the Army Staff.

Given the weight of political, economic and social factors affecting installations, Army senior leadership decided to establish an Army Staff agency to facilitate more effective Army installation management. *General Order No. 15* formally established the Assistant Chief of Staff for Installation Management (ACSIM), effective 1 July 1993, located at the Pentagon. The ACSIM is responsible for the promulgation of policy and integration of doctrine pertaining to the planning, programming, execution, and operation of Army installations.

The start-up of ACSIM resulted from the realignment of DA staff, staff support agency (SSA) and field operating agency (FOA) functions and resources critical to installation management at the HQDA level. The major changes are outlined below.

- Installation Management policy and resourcing functions of the Management Directorate, Office of the Chief of Staff, Army (OCSA) were reassigned to the Office of the Assistant Chief of Staff for Installation Management.
- Selected installation and environmental policy functions of the Chief of Engineers were reassigned to the Office of the Assistant Chief of Staff for Installation Management.
- The Interservice, Intradepartmental, and Interagency Support functions of the Office of the Deputy Chief of Staff for Logistics were reassigned to the Office of the Assistant Chief of Staff for Installation Management.
- The Base Realignment and Closure Office (SSA) of the Office of the Chief of Staff, Army was realigned to the ACSIM.
- The U.S. Army Commercial Activities Management Agency (FOA) of the Office of the Chief of Staff, Army was redesignated as a part of the U.S. Army Installation Support Management Activity under ACSIM.
- The Internal Support Modules functions of the Decision Systems Management Agency, OCSA (FOA) was redesignated as a part of U.S. Army Installation Support Management Activity under ACSIM.
- The U.S. Army Community and Family Support Center (FOA) of the Deputy Chief of Staff for Personnel was realigned to ACSIM.
- The U.S. Army Toxic and Hazardous Materials Agency (FOA) of the U.S. Army Corps of Engineers was redesignated the U.S. Army



Environmental Center under ACSIM.

- The natural and cultural resources functions of the former U.S. Army Engineering and Housing Support Center (now U.S. Army Center for Public Works)(FOA), was reassigned to the U.S. Army Environmental Center under the ACSIM.
- The U.S. Army Environmental Office (SSA) was realigned from the Chief of Engineers to the ACSIM.
- The housing and facilities policy functions of the former U.S. Army Engineering and Housing Support Center (now U.S. Army Center for Public Works) (FOA), was redesignated a part of the U.S. Army Installation Support Management Activity under ACSIM.

As a result of the above changes, the Assistant Chief of Staff for Installation Management organizational structure is comprised of the DA staff office, two staff support agencies and three field operating agencies. Effective 1 October 1996 it reorganized to become even more effective in executing its mission.

The Installation Strategy which resulted in the above changes continues to serve as a blueprint for achieving efficiencies as it executes its mission in a climate of increased resource constraints. The ACSIM recognizes that in the 21st Century Army "installation readiness" must be viewed as an integral component of force readiness. Integration of cross-functional, and sometimes conflicting, HQDA policies concerning the operation of Army installations is essential.

## **MAJOR INSTALLATION MANAGEMENT INITIATIVES AND PROGRAMS**

ACSIM makes every effort to keep garrison commanders and other members of the BASOPS community informed. ACSIM publishes a quarterly newsletter to communicate installations' initiatives, new programs, effective BASOPS management practices, and upcoming events. Additionally, ACSIM has established a home page site on the internet's worldwide web (<http://www.hqda.army.mil/webs/acsimweb/>) which provides news of current initiatives, commentary from the ACSIM, and an on-line version of the quarterly newsletter, as well as links to OACSIM division sites, to MACOMs, to posts, and to other BASOPS-related web sites.

Numerous initiatives have been undertaken by ACSIM in support of more effective management of base operations within the Army, as listed below.

### **Doctrine.**

The ACSIM established installation management doctrine with the publication of *FM 100-22* on 11 October 1994; it is key to organizing and performing installation management functions in support of the Army. The doctrine describes how installations support the Army's role in the National Military Strategy and warfighting doctrine. As it reaches maturity, it will serve as the authoritative foundation for organizing, structuring and managing garrison operations. The scope of this doctrine will provide the impetus for change in how installations are managed. Its publication gave commanders the flexibility to organize their garrison structure to operate as efficiently and effectively as possible within resources. Consequently, AR

5-3, *Installation Management and Organization*, was rescinded.

### **Privatization and Outsourcing.**

Outsourcing is a powerful tool, which the Army has available to re-engineer, streamline, become more business-oriented, and ultimately make better use of resources. Outsourcing is defined as the transfer of a function previously performed in-house to an outside provider. Privatization is a subset of outsourcing which involves the transfer or sale of government assets to the private sector.

Privatization and outsourcing provide opportunities to leverage technology and achieve cost savings. These management tools can assist in increasing the share of resources applied to other Army priorities, such as modernization. The installations conducting the studies and implementing the initiatives are key to the success or failure of the effort. Installations should take the broadest possible view of outsourcing, one that explores innovative partnerships with both private enterprise and the public sector, i.e., state/local governments, other DOD/Federal entities, and non-profit agencies. If outsourcing is narrowly defined as simply contracting out in-house functions, other opportunities for economies and efficiencies will be missed. As privatization and outsourcing opportunities continue to be examined, risks and capabilities must be assessed before taking action.

***Current Privatization and Outsourcing Initiatives.*** Private industry support is embedded in many of the Army's functions today. Army training, maintenance and other logistics functions, research and development, manufacturing, and base level services are all carried out with substantial industry support. The current Army

outsourcing focus is on the Department of Defense effort to address and implement Commission on Roles and Missions (CORM) recommendations in the areas of depot maintenance, materiel management, housing, base commercial activities, education and training, data centers, and finance and accounting. The Army is researching and implementing solutions to problems and constraints through greater reliance on private industry in other areas as well. Specific initiatives are cited below.

- Housing and utilities are the Army's top priorities for privatization. The Army is taking full advantage of new Capital Venture Initiatives (CVI) authorities in the FY 96 DOD Authorization Act, to attract private interest and investment capital through guarantees and direct loans, commitments such as leases or differential payments, and investments such as limited partnerships and equity or debt instruments. It is anticipated that all projects will leverage scarce Army housing resources and provide housing more quickly than conventional military construction. OSD and the Services also have been working on legislation authorizing Military Housing Corporations (MHC) for each of the Services. These MHCs are envisioned to be private not-for-profit Corporations. MHCs will be permissive in nature, i.e., the Services may choose to participate. The Army is actively planning for Army-wide implementation of this broader authority.
- Owning and operating utilities are not Army core functions. Privatizing installation utilities frees the Army of ownership responsibilities and

leverages the financial, technical and management capabilities of public and private utility organizations. Since December 1997, privatizing utilities is also a Defense Reform Initiative. The Army goal is now to privatize over 1,100 electric, gas, potable water and sanitary wastewater utility systems worldwide by 30 Sep 2003, where economical and not prevented by unique security reasons. To date, 49 utility systems have been privatized; 87 systems are in various stages of procurement; and 136 are under study. Nearly 800 utility systems remain to be studied. The National Defense Authorization Act for Fiscal Year 1998 granted to the Army authority to privatize utility systems after a 21-day congressional notification period. The Army is partnering with the newly created Defense Energy Support Center within the Defense Logistics Agency to assist installations by streamlining the procurement process and seeking opportunities to regionalize or bundle utilities across installation, MACOM and Service boundaries.

- During FY 96, DOD significantly revitalized the Commercial Activities (CA) program. During FY 97-99, the Army plans to subject more base commercial activities to competition with the private sector than it has in any previous three years. This cost competition process is described in the next section.

### **Commercial Activities.**

The Army had an active Commercial Activities Program in the early 1980's. Directorates of Logistics (DOL), Directorates of Public Works (DPW), and

other functions were under serious study for outsourcing at many CONUS installations. Studies are conducted, typically at installation level, under the guidance of *OMB Circular A-76 (Commercial Activities)*. The Circular provides for competition between the government and commercial sources and specifies how to conduct cost comparisons. Under A-76, agencies:

- Solicit bids or proposals from private firms.
- Streamline the in-house organization into a Most Efficient Organization (MEO).
- Develop an "in-house bid" based on the MEO (following detailed costing rules) and have it reviewed by an auditing organization.
- Select the lowest bid or best value proposal from the solicitation, and add 10% of personnel-related in-house costs to account for intangible transition costs.
- If the result is lower than the "in-house bid," privatize; if the result is higher, reorganize into the MEO.

Since FY 79, the Army completed 468 A-76 cost competitions covering over 20,000 manpower positions. This included many entire DOLs and DPWs, as well as other functions and activities such as motor pools, visual information, custodial services, laundry, and food services. The results achieved include:

- 240 in-house decisions and 228 contract decisions.
- In-house work forces reduced by over 5,000 positions (20%) through streamlining before competition.
- Over 16,000 positions converted to contract.

- Over 200 positions converted from contract to in-house operations in A-76 studies of contract operations.
- Total dollar savings averaged 28% (comparing pre-study in-house cost, estimated using A-76 costing procedures, to the winning bid, whether in-house or contract). (These A-76 calculations include non-agency costs.)

The above facts highlight the effect that competition has on the cost of performing a function.

Over time, the laws and rules associated with contracting-out have become more specific and constraining. While these may inhibit outsourcing decisions and implementation, only a limited number of absolute prohibitions to contracting exist. For example, firefighter and security guard services may not be contracted within the Department of Defense (DOD), unless they were already contracted as of September 24, 1983. *Title 10, U.S.Code, Chapter 146*, provides most of the legal foundation for reporting and conducting the studies of commercial activities. Of primary concern is the impact of contracting-out on Federal employees.

*Army Regulation 5-20* and *DA Pamphlet 5-20* provide the Army's policy and instructions for meeting the statutory and other regulatory guidelines. The Army and DOD understand the problems associated with the Commercial Activities Program and are working to change laws, remove barriers, and streamline the processes to facilitate outsourcing where it makes good business sense. Commanders have a variety of lessons-learned and other documented experience, audit and inspection reports, and standard study and contracting documents that can help reduce the work of the study process so that

efficiencies and economies can still be achieved in the near-term.

### **Environmental Compliance Program.**

This program focuses on activities designed to ensure that current operations at Army installations and activities (including civil works project sites) meet or exceed Federal, state and local environmental requirements, as well as the applicable Final Governing Standards (FGS) overseas. These requirements include statutes, case law, Presidential Executive Orders, regulations, policies and directives principally in the areas of air quality, radon, asbestos, environmental noise, safe drinking water, wastewater, hazardous and munitions waste, underground storage tanks (USTs), and the *National Environmental Policy Act*. This makes full compliance a very challenging and sometimes elusive goal. Nevertheless, the Army continues to make progress in this area as reflected by the gradual decline (beginning in FY 92) in the overall violation rate and number of enforcement actions received. The greatest challenge for the Army will be to continue to improve its compliance posture, and at the same time, effectively transition to the prevention mode of operation.

### **Hazardous Substances Management System (HSMS).**

In January 1996, the Deputy Chief of Staff for Logistics (DCSLOG) signed a message mandating pharmacy-like centralized hazardous materials management systems be established at all Army Materiel Command (AMC) installations not already utilizing that practice. While many installations have implemented pharmacies on their own initiative, the DCSLOG guidance requires the pharmacy be formally tested at one FORSCOM and TRADOC

installation. Concurrently, the ACSIM began initial fielding of the Hazardous Substances Management System (HSMS) as the Army standard management information system (MIS) supporting the business practice of centralized hazardous materials management. The HSMS is a MIS designated by the Deputy Chief of Staff, Information Management. It provides installation-level cradle-to-grave management of hazardous materials and hazardous waste, as well as preparing many required environmental reports for the installation.

### **Toxic Release Inventory (TRI) Reduction Strategy.**

*Executive Order 12856* required Army installations to inventory their toxic releases beginning calendar year 1994. Facilities exceeding certain toxic chemical release thresholds must report these amounts to EPA. The Army must reduce agency-wide releases 50% by 1999 against the calendar year 1994 baseline. The Army is analyzing the data to identify the underlying systems or industrial processes to evaluate how the 50% reduction will impact operations and readiness. This analysis will lead to an Army-wide TRI Reduction Strategy maximizing cost savings and eliminating sources of pollution, while minimizing the investment of required Army resources.

### **Installation Pollution Prevention Plans.**

Each Army CONUS installation prepared a pollution prevention plan by December 1995 in response to *Executive Order 12856*. These plans are supportive of the overall Army Pollution Prevention Strategy and focus on meeting all the pollution prevention measures of merit, including the 50% TRI reduction. POM 98-

03 began funding the implementation of these plans.

### **Army Installation Restoration Program (IRP).**

The Army's IRP is a comprehensive program to identify, investigate and clean-up contamination at active Army installations (including off-post migration). The program focuses on clean up of contamination associated with *past* Army activities. The IRP is part of the DOD *Defense Environmental Restoration Program (DERP)* which was formally established by Congress in 1984 under *Title 10 U.S.C. 2701-2707 and 2810*. The IRP provides centralized management for clean up of hazardous waste sites consistent with provisions of the *Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (CERCLA)*.

The objective of the IRP is to clean-up contaminated sites with the following goals: (1) to protect the health and safety of installation personnel and the public; and (2) to restore the quality of the environment. The IRP is funded by the Defense Environmental Restoration Account (DERA), established by *Section 211 of the Superfund Amendments and Reauthorization Act of 1986 (SARA)*. The IRP complies with state, regional and local requirements applicable to the clean up of hazardous materials contamination.

### **Military Construction Army (MCA) Process.**

Installation commanders may see military construction (MILCON) projects completed and occupied on their installations, but the projects will likely have been initiated by one of his predecessors. Normally an installation commander will be planning and programming projects which

he will not see completed during that assignment. Identifying the point in time when DA and the MACOM issue programming guidance to the installation as "day one", it will likely be more than 36 months from day one before construction of a MILCON project would begin, and another 18 to 24 months for construction to be completed.

In an ideal and simplified situation events will unfold as follows over a period of four years.

- During the first year the installation will develop the DD Form 1391 based on the using agency's requirements and submit proposed projects to the MACOM. The MACOM will submit proposed projects to HQDA and concept designs will start, with installation participation.
- During the second year concept designs will be completed and final designs started, with installation participation. HQDA will submit proposed projects to OSD for next year's budget submission.
- During the third year OSD submits a budget to Congress that includes MILCON projects, final designs will be completed, and projects will be prepared for advertisement for construction.
- At the start of the fourth year Congress approves the budget and funds, and authorizes the MILCON projects. Projects are advertised for construction, and bids are opened and projects awarded for construction.

The list of projects submitted by the installations to the MACOMs is pared down by the MACOMs before the list is submitted to HQDA. In turn, that list is pared down by

HQDA before it is sent to OSD, and again the list is pared down by OSD before being submitted to Congress.

Because of the length of time involved in the process, and because of the competitiveness of the process, the installation commander must be farsighted and determined, especially in the current fiscal atmosphere. He must be farsighted in order to plan and program years ahead of the true requirement, and be determined in order to fully justify and support a project through the planning and programming years.

### **Utilities Privatization Program.**

The Army has found that it is very difficult to properly operate and maintain installation utility systems due to work force reductions, shrinking maintenance budgets, and stringent environmental regulations. Funding for a complete utilities modernization program is not attainable in the foreseeable future. These circumstances have made privatization of Army-owned utility systems a logical and cost effective option. Privatization is also consistent with Army and DOD policy to outsource all but the Army's core missions and functions. A goal of 75 percent of natural gas systems by the year 2000 has been established. Based on the results of a review of alternatives, determination of feasibility, and a review of a life cycle cost (LCC) analysis, a decision is made by the installation commander to transfer ownership, operation and maintenance to either a public, municipal, or regional utility. A transfer of ownership in which the Army retains the land, such as natural gas or electrical distribution lines, may be approved by the Assistant Secretary of the Army (Installations, Logistics and Environment). When the utility system and the associated land are transferred, Congressional-authorizing legislation is required.

## **Facility Reduction Program.**

The ACSIM has extended the program to reduce our facility base in order to improve funding of installation facilities requirements. MACOMs are required to dispose of one square foot of temporary facilities for each square foot of new construction. This requirement began in FY92 and seeks to prevent the facilities inventory from growing. Most Base Realignment and Closure (BRAC) and chemical demilitarization construction are exempted from this requirement. The Facility Reduction Program includes three elements: improved utilization of permanent facilities; consolidation into the best facilities; and disposal of the worst facilities. Reduction targets have been disseminated to each of the MACOMs with major landholdings. Through FY95 31.0 million square feet was disposed of or placed under contract for disposal. Goals for the POM period are pending approval.

## **Revitalization.**

Revitalization is the cornerstone of our vision to provide excellent facilities. We must continue in a systematic way to repair, upgrade, or replace our infrastructure to modern standards. The ACSIM has developed two programs to focus the scarce revitalization resources where the greatest benefit is achieved thus increasing the quality of life of our soldiers and their families.

***Whole Barracks Renewal.*** Starting in FY94, the Whole Barracks Renewal Program began to upgrade housing standards for unaccompanied personnel. The new Army barracks design standards are: a private room with 118 net square feet (NSF) of living/sleeping area for every private through specialist and a 22 NSF walk-in

closet; a semi-private bath per room; a washer and dryer for every 15 soldiers; temperature controls in each room module; a telephone and a cable television jack per soldier; parking spaces for 100% of the occupancy capacity; and no administrative, dining or supply facilities located within and/or attached to barracks. Currently, this program is planned to revitalize over 80,000 spaces worldwide, although not all barracks overseas will be revitalized to the new standard.

***Whole Neighborhood Revitalization.*** For Family Housing, the Whole Neighborhood Revitalization Program assists in bringing Army homes to modern standards. Whole Neighborhood Revitalization takes a holistic approach to renewing whole neighborhoods and includes revitalization of dwelling units, neighborhood infrastructure and neighborhood amenities accomplished at one time, thereby eliminating the piece-meal approach.

## **Installation Status Report (ISR).**

In 1992, the Assistant Secretary of the Army (Financial Management and Comptroller), the United States Military Academy Operations Research Center (ORCEN), and MACOM Commanders jointly developed a decision support system, the Installation Status Report. The ISR is designed to assist installation commanders with installation management. The Assistant Chief of Staff for Installation Management (ACSIM) also participated in ISR's development and field testing. The effort has been guided by an executive steering committee and working group comprised of representatives from HQDA functional offices, OACSIM and MACOMs.

The ISR assists the installation commanders in determining the readiness of

installations much like the Unit Status Report indicates readiness. ISR Part I-Infrastructure estimates facility resource needs, assists in prioritizing programs and projects, assists in resource allocation, and then measures progress. ISR Part I was fielded in CONUS in FY 95 and OCONUS in FY 96. ISR Part II-Environment captures macro-level status of installations' environmental programs and improves the justification/prioritization of limited resources. ISR Part II was fielded in CONUS in FY 96; OCONUS fielding will be tested in FY 97, with full OCONUS fielding scheduled for FY 98. ISR Part III-Services is currently under development, with objectives of measuring and communicating the quantity, quality and cost of all installation support services performed by or available at Army installations.

The ISR program will provide an overall picture of an installation's status, and show how deficiencies in installation condition effect the environment and mission performance. It provides information which links installation conditions, priorities and resources to readiness. While serving the needs of different customers such as HQDA, MACOMs, and installations, the ISR is also the installation commander's opportunity to influence the Army's strategy. The ISR provides a common standard and language for the Army to speak with one voice.

### **Improved Business Practices.**

Today's fiscal restraints make it imperative that the Army goes even further in doing business differently. We must be innovative in setting new standards for financial management, in implementing good business practices and in seeking every opportunity to "make money" in order to provide quality base services. Normally law precludes installations from using assets,

which are supported with appropriated funds to generate revenues to offset costs. Unless specifically authorized by law to retain revenues, those proceeds or "profits" from installation operations or sale of assets must be deposited in the U.S. Treasury. However, recently, Congress demonstrated some willingness to consider limited, amendatory legislation to use proceeds from the sale or outlease of property for the specific purposes of maintenance and repair and environmental restoration. Specifically, the FY 1991 National Defense Authorization Act included two new authorities that were initially authored by the Army. Sections 2805 and 2806 of Public Law 101-510 provide DOD the authority to retain revenues generated from the sale or transfer of excess non-base realignment and closure (BRAC) real property and the outlease of non-excess real and personal property, respectively. Any funds earned by an installation through these authorities would not be offset by a reduction elsewhere in the installation budget. The Resource Recovery and Recycling Program, under which installations with a "qualified Recycling Program" market recyclable materials through the Defense Reutilization and Marketing Service (DRMS) or through direct sales, provides that all proceeds go to the generating installation. Proceeds will first cover program operating costs and of the remaining amount, up to 50% can be used for environmental, energy, or safety programs with all other proceeds used for MWR activities.

### **Civilian Inmate Labor Program.**

In pursuing new/more economical methods of providing services, several installations have sought minimum security civilian inmates as an alternative source of labor. Such an arrangement benefits both the Army and correctional facilities. Civilian



inmates accomplish tasks not otherwise possible under current manning and funding constraints. Correctional facilities benefit because the Army provides meaningful work for inmates, and in some cases additional space to relieve overcrowding. Except for nominal operating costs, this labor pool has no direct labor cost to the Army. An evaluation of initial test cases revealed that under certain circumstances this arrangement can be very beneficial to the Army. Cost-avoidance has been significant. A civilian inmate labor program can be implemented on an installation simply with the installation inmate labor plan and a HQDA approved Memorandum of Agreement (MOA) between the commander and the warden.

### **Army Communities of Excellence (ACOE).**

Since 1988, the Army Communities of Excellence (ACOE) process has focused on readiness, people, and pride to make continuous improvements in customer service, facilities, and environment. ACOE has been the commander's tool for setting standards, performing self-assessments, and rewarding, and celebrating excellence for the Active Army, Army National Guard and Army Reserve. Self-assessment is a key tool for commanders with a focus on the expectations of customers, soldiers, civilians and their families, as well as the community's ability to meet their needs. The adoption of the Malcolm Baldrige National Quality Award criteria into the ACOE process in 1995 further contributed to the reshaping, reinventing, and reengineering of the Army. The Baldrige criteria provide a comprehensive and integrated change management framework that results in continuous improvement.

## **SUMMARY**

At the outset, the installation management process was identified as a very complicated but essential process with which too few Army officers are familiar. The importance of vigorous, innovative management at the installation level has become more critical as the combined effects of resource limitations and escalating costs squeeze the Army's capability to support existing structure and maintain essential readiness through training. It therefore becomes abundantly clear that the challenge of wringing maximum utility, efficiency, and productivity from each available dollar is the professional obligation not only of the Director of Resource Management, but also of the installation commander, the garrison commander, directorate staff, subordinate commanders, and responsible people at all levels. Sound, efficient installation management contributes directly and materially to fundamental mission accomplishment and, therefore, becomes an area of genuine interest to all soldiers. The garrison commander and his staff are comparable to the mayor and department heads operating a large city with all the associated challenges: providing the best possible quality of life to soldiers and families; protecting the environment; using allocated funds and other resources wisely and legally; and maintaining good relations with surrounding communities, to name just a few. It is imperative, therefore, that our "military cities," the places where our soldiers, family members, civilians, and retirees train, work, live, and play, be maintained at the highest levels of readiness, capable of projecting the power necessary to win the next war. Army installations are:

- home to the force;
- serving our nation in peace and war;

- continuously improving communities of quality facilities and excellent services;
- valued neighbors, trusted community partners, and recognized leaders in city management and public administration;
- environmental stewards for present and future generations; and,
- world-class strategic power projection and sustainment bases.

The installations of the U.S. Army are changing to meet the demands of training highly technical forces within limited geographical and physical assets; mobilizing and frequently deploying and recovering operating forces; and providing sustainment and support services beyond the installation boundaries. The ability to deploy forces rapidly from within the U.S. is central to the Army's role in the National Military Strategy. Army installations today face tougher challenges than ever before, as years of underfunding have caused infrastructure deterioration. As the Army's budget continues to decline, the efficient and effective management of installations becomes even more critical. Yet, in facing these tough challenges, Army installations must continue to make every effort to provide the quality of life that soldiers, families and workers deserve.

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